

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, DC 20268-0001

Complaint of William Smith

Docket No. C2013-2

COMPLAINT OF William Smith
REGARDING Noncompliance with Domestic Mail Manual Sections 604.9.1.6 (c) and (f)

February 1, 2013

William Smith
1643 Muirfield Dr.
219-741-8239
coolwhs@gmail.com

I. Unlawful Policy

1. Pursuant to 39 U.S.C. § 3662, William Smith respectfully submits this complaint against the United States Postal Service.
2. (a). The United States Postal Service is noncompliant with 39 USC §403 (c) as current policy does not allow for subsequent owners of unmutilated stamped cards and full coils and sheets of precanceled stamps without purchaser's printing to exchange them in accordance with 604.9.1.6 (c) and (f) for more desirable forms of postage.
2. (b). The United States Postal Service is noncompliant with 39 USC §404 (a) (4) as current policy does not allow for subsequent owners of unmutilated stamped cards and full coils or sheets of precanceled stamps without purchaser's printing to exchange them for more desirable postage in accordance with 604.9.1.6 (c) and (f).

2. (c). The United States Postal Service is noncompliant with 39 CFR §111.1 as current policy does not allow for subsequent owners of unmutated stamped cards and full coils or sheets of precanceled stamps without purchaser's printing to exchange them in accordance with 604.9.1.6 (c) and (f).

II. **Refusal to Follow Domestic Mail Manual Sections 604.9.1.6 (c) and (f).**

3. The USPS current policy in Exhibit A violates Domestic Mail Manual Sections 604.9.1.6 (c) and (f) by disallowing the exchange of unused stamped cards and full coils or sheets of precanceled stamps without printing by or for their original owners by subsequent purchasers as explicitly required by the current rule and all previous versions as evidenced by Exhibits B - H. My reference for the ability to exchange unused full sheets or coils of precanceled stamps and unused stamped cards are based on the following excerpt from Exhibit B "unused precanceled stamps and postal cards, may be exchanged for other postage-stamped paper" and Exhibit H, "unused precanceled stamps and stamped cards, are exchanged for other postage-stamped paper". In the original rule and all subsequent revisions I have located, no version of it required items for subsections (c) and (f) to be presented by the original owner nor any age limit of the material for exchange nor that it be damaged in any fashion subject to a few conditions. The only requirements for exchange stated in the rule concerning subsequent owners are that the items must be presented by a responsible person with a precanceled stamp permit, remain in full coils or sheets in the case of precanceled stamps, and stamped cards must be unmutated and free of printing by or for the original owner. As I am the current owner and therefore responsible for such items, hold a permit to use precanceled stamps, full coils or sheets of precanceled stamps and unmutated stamped cards devoid of purchaser's printing qualify for exchange under the current rule, and always have as shown in Exhibits B - H.

II. Economic Loss

4. The economic loss principally results from the difference in market price between undesirable forms of postage and more desirable ones.

III. Affected Persons

5. Any persons who purchase full coils and stamped cards and later sell them due to subsequent rate increases requiring additional postage or other reasons are aggrieved due to the depressed secondary market value, as well as those who aren't the original owners of qualifying full coils and stamped cards as they cannot currently exchange the unwanted items for more useful ones.

IV. Additional Information

6. As the rule is public record, and multiple revisions of the rule are presented, no further information is requested at this time.

V. Information and Belief

7. Exhibit A is a scan of an official document from Ms. Killette. Exhibit B is copied from original Microfiche records obtained at Indiana University in Gary Indiana. Exhibits C - G are official documents provided via email by USPS librarian Raymond R Plante on April 4th, 2011. Exhibit H is from the USPS official copy of the Domestic Mail Manual <http://pe.usps.com/framepdf.asp?Dest=dmmtoc.pdf>.

VI. Unresolved

8. I am unaware of any previous final decision from the commission regarding this issue.

VII. Statement of Relief Requested

9. I request the USPS be required to exchange unused unmutilated stamped cards and full sheets and coils of precanceled stamps of any age without printing by or for the original owner. Additionally, I request a ruling on whether coils or sheets of precanceled stamps must be sealed in the original packaging to be exchangeable, or whether full coils or sheets which are outside the original shrink wrap qualify as well. Another request would be to finalize the exact definition of "postage-stamped paper"; and whether it includes stamped cards, stamped envelopes and Priority or Express mail envelopes and/or boxes including those with Forever postage. Lastly, I request any relief which the commission deems just and proper.

VIII. Attempt at resolution

10. As the letter in Exhibit A and emails included in Exhibit I are from the highest office excluding the Postmaster General concerning this issue, I believe further negotiation would be unproductive.

IX. I have emailed this to PRCCOMPLAINTS@usps.gov on February 1 2013.

Exhibit A

CONSUMER ADVOCATE



January 13, 2011

Mr. William Smith
1643 Muirfield Drive
Dyer, IN 46311-1260

SUBJECT: Exchange of Vintage Postage for Other Postal Stamped Paper

Dear Mr. Smith:

Your correspondence to the United States Postal Service's (Postal Service) Office of the General Counsel regarding the exchange of vintage Postal Service stamped products for more recently issued ones has been forwarded to the Office of the Consumer Advocate for response as it relates to a rates and services inquiry. Please note that the same or similar inquiry was presented to the Postal Service and the Postal Regulatory Commission in the past and the Postal Service responded accordingly.

In your correspondence, and during conversations with personnel of the Postal Service and the U.S. Postal Inspection Service, you explained that you had acquired a significant amount of vintage postage stamps, aerogrammes, and post cards which you believed could be exchanged for current postage. Specifically, the items you sought to exchange included: 10,000 USPS pre-stamped postcards, 1,000 pre-stamped envelopes with additional postage added, 1,000 aerogrammes, and 25,000 commercial envelopes with .44 cents postage affixed. You advised that you'd prefer to receive pre-paid Priority Mail envelopes as you believed they would be easier to resell.

According to U.S. Postal Service regulations set forth in the *Mailing Standards of the United States Postal Service*, Domestic Mail Manual, DMM®, there are five conditions under which postage stamped paper can be exchanged. They are generally described below:

1. Where the Postal Service sold damaged, defective or otherwise unserviceable stamps, (see DMM 604.9.1.1);
2. Where stamps, while in the customer's possession, are damaged or otherwise unusable for postage, (see DMM 604.9.1.2);
3. Where the customer purchased the wrong denomination stamps or the wrong kind, size or denomination envelopes, (see DMM 604.9.1.5);

475 L'ENFANT PLAZA SW
WASHINGTON DC 20260-2200
202-268-2282
FAX: 202-268-5531
WWW.USPS.COM

Exhibit A Continued

4. Where stamped paper is accidentally rendered spoiled and unusable, it may be exchanged under conditions outlined in the provision, (see DMM 604.9.1.6); and,
5. Where subject to certain conditions, the customer submits postage for conversion to an advance deposit for permit mailings, (see DMM 604.9.1.8).

In the matter presented here, the postage and stamped paper you possess do not fall within any of the categories eligible for exchange; therefore, your request is denied. This is the agency's final decision.

However, as you may be aware, "all postage stamps issued by the United States since 1860, unless listed in DMM 604.1.3, are valid for postage from any point in the United States or from any other place where U.S. Mail service operates.


Delores J. Killeto

Exhibit B

of mailing without any postage or sufficient postage, the mailer must be notified, without charge, preferably by telephone, in order that the postage may be adjusted before the mail is dispatched.

(b) When the addressee refuses to pay deficient postage, and when the mail is undeliverable for any other reason, it shall be handled as follows:

(1) First-class mail, including airmail, when a return address will be returned to the sender and delivered on payment of the deficient postage.

(2) Mail other than first-class bearing a return address will be returned to the sender and delivered on payment of the deficient postage, if any, and the postage.

(3) All mail that does not bear a return address will be disposed of in accordance with § 159.4.

Postage on mail insufficiently prepaid. Postage stamps stuck to mail are lost when the mail is first received at the post office. Postage stamps or stamps originally affixed to mail, when it is presented for mailing, will, when it is presented for mailing, be accepted in payment of postage to the amount of face value.

(2) Mailable matter found in private mail boxes without prepayment of postage.

Penalty. Whoever knowingly and fraudulently deposits any mailable matter in statements of account, circulars, or other like matter, on which postage has been paid, in any letter, approved, or accepted by the postmaster, or on any receipt of mail matter, on any route thereon, shall for each such offense be fined not more than \$300.

Collection of postage. Matter in private mail boxes provided for deposit of mail matter shall be treated as postage. If the person or firm is responsible for improperly depositing mail in the delivery area of the post office, the local postmaster shall make the total postage chargeable to the person or firm. The postmaster shall also be responsible for the law. An amount of postage due stamps on a sheet of paper and properly as a receipt for money collected from the person or firm. If payment in form of uncanceled stamps or stamps, they will be affixed to a canceled and returned as a receipt. No other receipt will be

Report to other office. If the person using private mail boxes is located at another post office, the person must file a report of the postmaster at that location that he take the action in

Collection of postage due. Postage due mail is in cash only, prior to delivery

to addressee. Exception: Postage on quantity mailings found in private mail boxes is collected as required in § 148.2(b).

(b) **By advance deposit.** If postage due collections amount to approximately \$10 or more every 60 days, payment may be made by advance deposits of money.

§ 146.4 When not to collect:

(a) **Stamps lost or mail.** When it is apparent from the impression of a canceling stamp that a postage stamp has been wholly or partially lost, handle the piece as prepaid one full rate only.

PART 147—EXCHANGES AND REFUNDS

Sec. 147.1 Exchange of stamps.

147.2 Refunds.

AUTHORITY: The provisions of this Part 147 issued under 5 U.S.C. 501, 50 U.S.C. 501, 505.

§ 147.1 Exchanges of stamps.

(a) **Post office mistakes.** Mistakes in selling damaged, defective, or otherwise unserviceable stamps may be corrected by the post office by exchanging stamps at full value.

(b) **Purchaser's mistakes.** Mistakes made by purchaser in buying adhesive stamps of the wrong denomination or stamped envelopes or postal cards of the wrong kind, size, or denomination may be corrected by exchanging stamps at full value, provided mistake is discovered within 48 hours from time of purchase.

(c) **Unserviceable and spoiled envelopes or cards and unused precanceled stamps.** Unserviceable and spoiled stamps, envelopes or postal cards, if uncanceled, and unused precanceled stamps and postal cards, may be exchanged for other postage-stamped paper as follows:

(1) Stamped envelopes (multilined no more than is necessary to remove contents), for postage value plus value of postage added as a result of rate increase or for additional service.

(2) Unmultilined aerogrammes (air-letter sheets), for postage value less 1 cent for each aerogramme redeemed.

(3) Unmultilined single and double postal cards, for 85 percent of postage value plus full value of postage added as a result of rate increase or for additional service.

(4) Either half of a double postal card may be redeemed if the double card has been printed and cut for use as single cards.

(5) Unused double postal cards printed for reply purposes should not be separated; however, if they have been separated in error, and the purchaser presents both halves, the cards may be redeemed.

(6) Reply halves of double postal cards that have been returned to sender outside of the mails are not redeemable by the original purchaser even though the reply half received no postal service.

(7) Sheet postal cards spoiled in the process of cutting to size, for 85 percent of postage value plus full value of postage added as a result of rate increase or for additional service, if all cut sections are submitted.

RULES AND REGULATIONS

19455

(5) Stamps affixed to commercial envelopes and post cards, for 90 percent of postage value. Envelopes and post cards must be in a substantially whole condition and in lots of at least 50 of the same denomination and value.

(6) Unused precanceled stamps in full coils or in full sheets redeemed from precanceled permit holders, for 90 percent of postage value.

Stamped envelopes or aerogrammes (air-letter sheets) with a printed return address and postal cards with any printed matter of the purchaser, may be exchanged only by the purchaser. If there is no purchaser's printing, they may be exchanged by any responsible person. When redemption cannot be made at time of presentation, the postmaster will furnish a receipt on Form 3216 for uncanceled unserviceable or spoiled envelopes or postal cards or for unused precanceled stamps left in his custody.

(d) **Nonexchangeable.** The following are nonexchangeable:

(1) Adhesive stamps, unless mistakes were made in purchasing stamps or stamps were defective or stamps were affixed to commercial envelopes and post cards.

(2) Stamps cut from postal cards, stamped envelopes, or aerogrammes (air-letter sheets).

(3) Parts and pieces of postal cards.

(4) Postal cards, stamped envelopes, and aerogrammes received for reply purposes.

(5) Multilined and defaced stamps.

§ 147.2 Refunds.

(a) **Conditions that justify refund.** (1) When postage or special service fees have been paid on mail for which no service is rendered, or collected in excess of the lawful rate, a refund may be made.

(2) The Postal Service is considered to be at fault and no service is rendered in cases involving returned articles improperly accepted in both domestic and international services because of excess size or weight.

(3) Mailers who customarily weigh and rate their mail are expected to be familiar with basic requirements and the Postal Service is not considered to be at fault when these mailers are required to withdraw articles from the mail prior to dispatch.

(4) See paragraphs (c) (2) and (f) of this section for special provisions for refunding the postage value of unused meter stamps.

(b) **Application.** Submit an application on Form 3533, in duplicate, to the postmaster together with the envelope or wrapper, or the portion thereof having names and addresses of sender addressee, canceled postage and postal markings, or other evidence of payment of the amount of postage and fees for which refund is desired.

(c) **Amount of refund allowable.** (1) Refund of 100 percent will be made:

(i) When the Postal Service is at fault.

(ii) For the excess when postage or fees have been overpaid the lawful rate.

(iii) When service to the country of destination has been suspended.

(iv) When postage is fire-scarred while in the custody of the Postal Service, including fire in letterbox, and the mail is returned to sender without service.

(v) When special delivery stamps are erroneously used in payment of postage, and the mail is returned to the sender without service.

(vi) When fees are paid for special delivery, special handling, and certified mail, and the article fails to receive the special service for which the fee has been paid.

(vii) When surcharges are erroneously collected on domestic registered mail or collected in excess of the proper amount, or represented by stamps affixed to mail not actually accepted for registration.

(viii) For fees paid for return receipts, or for restricted delivery when the failure to furnish return receipt or its equivalent, or erroneous delivery, or non-delivery, is due to fault or negligence of Postal Service.

(ix) For annual bulk mailing fee when no bulk mailings of third-class matter are made during the year for which the annual fee has been paid.

(x) When customs clearance and delivery fees are erroneously collected.

(xi) When fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.

(2) Refund of 90 percent shall be made when complete and legible unused meter stamps are submitted within 1 year from the dates appearing in the stamps. See § 147.2(f) of this chapter.

(3) When mail is returned at the request of the sender or for a reason not the fault of the Postal Service, any difference between the amount paid and the appropriate domestic air or surface rate chargeable from mailing office to inspection point and return will be refunded.

(4) On articles prepaid at airmail rates but actually transported by surface means, the difference between the postage computed at the airmail and surface rates is refundable. The fact that surface transportation was used must be confirmed.

(d) **Unallowable refunds.** No refund will be made:

(1) For an application fee to use permit imprints.

(2) For registered, insured, and COD fees after the mail has been accepted by the post office even though it is later withdrawn from the mailing post office.

(e) **Meters and meter stamps.** (1)

Postage adjustments. The postage value of unused units set in a meter surrendered to the post office to be checked out of service may be refunded or, if desired, an equivalent amount will be transferred to another meter used by the same license holder. If the meter is withdrawn from service because of faulty mechanical operation, a final postage adjustment or refund may be withheld pending report of the meter manufacturer of the cause of faulty operation. If the meter is damaged by fire, a refund or transfer of postage will be made only if the registers are

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§ 153.5 Recall of mail.

(a) **Who may recall mail.** Mail depos-

than 40 residential apartments. Buildings in which receiving boxes are located

(b) **Delivery to persons having similar names.** Unless persons having similar

D. refer to Publication 111, Regulations on Transportation of Letters, or carrier of matter who has as to whether such matter is

Exhibit C

1 (DMM)

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Domestic Mail Manual (DMM)

147.15

147 Exchanges and Refunds

147.1 Exchanges of Stamps

.11 Post Office mistake. Mistakes in selling damaged, defective, or otherwise unserviceable stamps may be corrected by the post office by exchanging stamps at full value.

.12 Purchaser's Mistake. Mistakes made by purchaser in buying adhesive stamps of the wrong denomination or stamped envelopes or postal cards of the wrong kind, size, or denomination may be corrected by exchanging stamps at full value, provided the mistake is discovered within 48 hours from time of purchase.

.13 Unserviceable Postal Stationery and Unused Precanceled Stamps. Unserviceable and spoiled stamped envelopes or postal cards, if uncanceled, and unused precanceled stamps and postal cards, will be exchanged for other postage-stamped paper as follows:

a. Stamped envelopes (mutilated no more than is necessary to remove contents), for postage value plus value of postage added as a result of rate increase or for additional service.

b. Unmutilated aerogrammes (air-letter sheets), for postage value less 1 cent for each aerogramme redeemed.

c. Unmutilated single and double postal cards, for 85 percent of postage value plus full value of postage added as a result of rate increase or for additional service.

(1) Either half of a double postal card may be redeemed if the double card has been printed and cut for use as single cards.

(2) Unused double postal cards printed for reply purposes should not be separated; however, if they have been separated in error, and the purchaser presents both halves, the cards may be redeemed.

(3) Reply halves of double postal cards that have been returned to sender outside of the mails are not redeemable by the original purchaser even though the reply half received no postal service.

d. Sheet postal cards spoiled in the process of cutting to size, for 85 percent of postage value plus full value of postage added as a result of rate increase or for additional service, if all cut sections are submitted.

e. Stamps affixed to commercial envelopes and post cards, for 90 percent of postage value. Envelopes and post cards must be in a substantially whole condition and in lots of at least 50 of the same denomination and value.

f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders, for 90 percent of postage value.

Note: Stamped envelopes or aerogrammes (air-letter sheets) with a printed return address and postal cards with any printed matter of the purchaser, may be exchanged only by the purchaser. If there is no purchaser's printing, they may be exchanged by any responsible person. When redemption cannot be made at time of presentation, the postmaster will furnish a receipt on Form 3210 for uncanceled unserviceable or spoiled envelopes or postal cards or for unused precanceled stamps left in his custody.

Issue 4, 10-1-80

.14 Conversion of Postage Stamps to Other Forms of Postage

.141 General. Mailers may submit postage stamps for conversion to a meter setting or advance deposit for permit imprint mailings under the conditions set forth in 147.142 through 147.146. A conversion charge of 10% of the face value of the stamps or \$250, whichever is greater, will be deducted when the stamps are converted. No part of any amount applied to a meter setting or trust account from the conversion of postage stamps will be later refundable in cash, or by any other means.

.142 Where to Apply. All requests to convert postage stamps to meter or permit imprint postage must be sent to the General Manager, Stamps Division, U.S. Postal Service, Washington, DC 20260. The General Manager, Stamps Division, will forward a copy of the request to the Inspector-in-charge of the division in which the requestor's post office is located.

.143 What May be Converted. Only full panes of stamps, or coils of stamps in the original sealed wrappers, will be accepted for conversion. Commemorative stamps issued no earlier than one year prior to the date of the request for conversion or issues of regular stamps which have not been officially withdrawn from sale at the Philatelic Sales Branch will be accepted under these conditions.

.144 Conversion Rate. The amount of postage applied to a meter setting or permit imprint trust account through conversion will be the lesser of the full face value of the stamps submitted minus 10%, or full face value minus \$250.

.145 Submittal of Request. The customer must submit a letter to the General Manager, Stamps Division, requesting conversion of the stamps to meter or permit imprint postage. The letter must include the name, denomination, quantity and value of postage stamps for which conversion is requested, and name of post office where the stamps were purchased. Evidence of purchase for the stamps must also be included with the request.

.146 Approval. The General Manager, Stamps Division, will review the request and may ask the mailer to submit additional records to support the information in the request. The General Manager, Stamps Division, will approve or deny the request. If the conversion is authorized, the postmaster will be advised of the proper procedures for accepting the postage stamps and making the required accounting entries. The General Manager, Stamps Division, will determine the post office which has the capabilities to destroy the postage stamps. The credit will be applied to the post office where the mailer has his meter set or deposits his permit imprint mail.

.15 Nonexchangeable.

The following are nonexchangeable:

a. Adhesive stamps, unless mistakes were made in purchasing, stamps were defective, stamps were affixed to commercial envelopes and post cards, or as provided in 147.14.

Exhibit C Continued

Domestic Mail Services

147.13

c. An equivalent amount of postage-due stamps affixed to a sheet of paper and properly canceled as a receipt for money collected will be given the person or firm paying postage. If payment is in the form of uncanceled stamps or meter stamps, they will be affixed to a sheet, canceled, and returned as a receipt for payment. No other receipt will be issued.

146.23 Report to Another Office. If the person or firm or distributor responsible for the impermissible use of the private mail receptacles is located within an area served by another post office, a sample piece will be sent with a report of the facts to the postmaster at that location with a request for action in accordance with 146.22.

146.24 Repeated Violations. If the person or firm or distributor responsible for the impermissible use of the private mail receptacles continues the impermissible use after having been notified that the use is impermissible, the postmaster will submit a sample piece and a report of the facts (see 146.22) to the postal inspector-in-charge.

146.3 Collection of Postage Due

146.31 Collected on Delivery. Customers must pay for postage-due mail, in cash only, prior to delivery to them. However, postage on quantity mailings found in private mailboxes will be collected as provided in 146.22.

146.32 Use of Postage Stamps, Permit Imprints, or Customer Meter Strips. Postage stamps, permit imprints, and customer meter strips may not be used for payment of postage due, except by Government agencies as provided by 137.265b.

146.33 Advance Deposit. If postage-due collections amount to approximately \$10 or more every 60 days, payment may be made by advance deposits of money.

146.4 When Not Collected When it is apparent from the impression of a cancellation that a postage stamp or stamps have been wholly or partially lost, the piece must be handled, in the absence of contrary evidence, as if correct postage had been paid for the class and weight of the piece. Handle registered mail requiring additional postage in accordance with 911.26.

147 Exchanges and Refunds

147.1 Exchanges of Stamps

147.11 Unserviceable Stamps

147.111 Post Office Mistake. Mistakes in selling damaged, defective, or otherwise unserviceable stamps may be corrected by the post office by exchanging stamps at full value.

147.112 Damaged in Customer's Possession. Stamps which are damaged or otherwise become unusable for postage because of humidity, moisture, or other causes while in a customer's possession may be exchanged at full value only for an equal number of stamps of the same denomination. Unserviceable stamps accepted from customers under these conditions must be those which have been on sale at post offices within 12 months preceding the transaction. Quantities of the same denomination in excess of \$10 must be returned in the same configuration as when purchased; i.e., sheets, coils, booklets. Each such transaction is further limited to stamps with a total value of \$100 or less from each customer.

147.113 Determining Quantities. The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If customers return partially stuck-together coils of stamps and the stamps cannot be counted, postmasters may accept the customer's estimate of the number of stamps remaining in the coil and give equal quantities in exchange.

147.114 Appeal. Customers denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, U.S. Postal Service, Washington, DC 20260-6720.

147.12 Purchaser's Mistake. Mistakes made by purchaser in buying adhesive stamps of the wrong denomination or stamped envelopes or postal cards of the wrong kind, size, or denomination may be corrected by exchanging stamps at full value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of postal cards may be exchanged. Any customer exchanging \$250 or more of such stock must furnish proof of identity (driver's license, military I.D., or other valid identification) and must present the stock for exchange to the postal unit at which his or her mail is delivered. This will allow the clerk exchanging the stock to validate the customer's address. A record of each transaction of \$250 or more will be made, showing name of customer, type of I.D., business firm, address, amount, and denominations exchanged. Any suspicious circumstances should be reported immediately to the local postal inspector or inspector-in-charge.

147.13 Unserviceable Postal Stationery and Unused Precanceled Stamps. Unserviceable and spoiled stamped envelopes or postal cards, if uncanceled, and unused precanceled stamps and postal cards, will be exchanged for other postage-stamped paper as follows:

a. Stamped envelopes (mutilated no more than is necessary to remove contents), for postage value plus value of postage added as a result of rate increase or for additional service.

b. Unmutilated aerogrammes (air-letter sheets), for postage value, less \$0.01 for each aerogramme redeemed.

Exhibit C Continued

147.14

DOMESTIC MAIL MANUAL

c. Unmutilated single and double postal cards, for 85 percent of postage value, plus full value of postage added as a result of rate increase or for additional service.

(1) Either half of a double postal card may be redeemed, if the double card has been printed and cut for use as single cards.

(2) Unused double postal cards printed for reply purposes should not be separated; however, if they have been separated in error, and the purchaser presents both halves, the cards may be redeemed.

(3) Reply halves of double postal cards which have been returned to sender outside of the mail are not redeemable by the original purchaser, even though the reply half received no postal service.

d. Sheet postal cards spoiled in the process of cutting to size, for 85 percent of postage value plus full value of postage added as a result of rate increase or for additional service, if all cut sections are submitted.

e. Stamps affixed to commercial envelopes and postcards, for 90 percent of postage value. Envelopes and postcards must be in a substantially whole condition and in lots of at least 50 of the same denomination and value.

f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders, for 90 percent of postage value.

Note: Stamped envelopes or aerogrammes (air-letter sheets) with a printed return address and postal cards with any printed matter of the purchaser, may be exchanged only by the purchaser. If there is no purchaser's printing, they may be exchanged by any responsible person. When redemption cannot be made at time of presentation, the postmaster will furnish a receipt on Form 3210, *Interim Receipt for Stamp Stock Submitted for Redemption*, for uncanceled, unserviceable, or spoiled envelopes or postal cards or for unused precanceled stamps left in his custody.

147.14 Conversion of Postage Stamps to Other Forms of Postage

147.141 General. Mailers may submit postage stamps for conversion to a meter-setting or advance deposit for permit imprint mailings under the conditions set forth in 147.142 through 147.146. A conversion charge of 10 percent of the face value of the stamps or \$250, whichever is greater, will be deducted when the stamps are converted. No part of any amount applied to a meter-setting or trust account from the conversion of postage stamps will be later refundable in cash or by any other means.

147.142 Where to Apply. All requests to convert postage stamps to meter or permit imprint postage must be sent to the General Manager, Stamps Division, U.S. Postal Service, Washington, DC 20260-6351. The General Manager, Stamps Division, will forward a copy of the request to the postal inspector-in-charge of the division in which the requestor's post office is located.

147.143 What May Be Converted. Only full panes of stamps, or coils of stamps in the original sealed wrappers, will be accepted for conversion. Commemorative stamps issued no earlier than 1 year prior to the date of the request for conversion or issues of regular stamps which have not been officially withdrawn from sale at the Philatelic Sales Division will be accepted under these conditions.

147.144 Conversion Rate. The amount of postage applied to a meter-setting or permit imprint trust account through conversion will be the lesser of the full face value of the stamps submitted, minus 10 percent, or full face value minus \$250.

147.145 Submittal of Request. The customer must submit a letter to the General Manager, Stamps Division, requesting conversion of the stamps to meter or permit imprint postage. The letter must include the name, denomination, quantity, and value of postage stamps for which conversion is requested, and name of post office where the stamps were purchased. Evidence of purchase for the stamps must also be included with the request.

147.146 Approval. The General Manager, Stamps Division, will review the request and may ask the mailer to submit additional records to support the information in the request. The General Manager, Stamps Division, will approve or deny the request. If the conversion is authorized, the postmaster will be advised of the proper procedures for accepting the postage stamps and making the required accounting entries. The General Manager, Stamps Division, will determine the post office which has the capabilities to destroy the postage stamps. The credit will be applied to the post office where the mailer has his meter set or deposits his permit imprint mail.

147.15 Nonexchangeable. The following are nonexchangeable:

- a. Adhesive stamps, unless mistakes were made in purchasing, stamps were defective, stamps were affixed to commercial envelopes and postcards, or as provided in 147.14.
- b. Stamps cut from postal cards, stamped envelopes, or aerogrammes (air-letter sheets).
- c. Parts and pieces of postal cards.
- d. Postal cards, stamped envelopes, and aerogrammes received for reply purposes.
- e. Mutilated and defaced stamps.

147.2 Refunds

147.21 Justification

147.211 When postage and special or retail service fees have been paid, and no service is rendered, or when the amount collected was in excess of the lawful rate, a refund may be made:

Exhibit C Continued

147.2

Domestic Mail Manual (DMM)

- b. Stamps cut from postal cards, stamped envelopes, or aerogrammes (airletter sheets).
- c. Parts and pieces of postal cards.
- d. Postal cards, stamped envelopes and aerogrammes received for reply purposes.
- e. Mutilated and defaced stamps.

147.2 Refunds**.21 Justification**

.211 When postage and special or retail service fees have been paid, and no service is rendered, or when the amount collected was in excess of the lawful rate, a refund may be made:

- a. Refunds for postage and fees paid by stamps, permit imprints, or meter impressions, unused meter impressions, and unused units set in meters are handled according to 147.24.

- b. Refunds for retail services and fees not paid by means of stamps, permit imprint, or meter impressions are handled according to 147.26.

.212 The Postal Service is assumed to be at fault and no service is rendered in cases involving returned articles improperly accepted in both domestic and international services because of excess size or weight.

.213 Mailers who customarily weigh and rate their mail are expected to be familiar with basic requirements and the Postal Service is not considered to be at fault when these mailers are required to withdraw articles from the mail prior to dispatch.

.214 See 147.222 and 147.25 for special provisions for refunding the postage value of unused meter stamps.

.215 A postage refund may be provided the sender for first-class, third-class single piece, and fourth-class mail torn or defaced during processing by the Postal Service to such extent that identification of addressee or intended delivery point cannot be made. This applies only when the failure to process and/or deliver is the fault of the Postal Service. Where possible, the damaged item will be returned with the postage refund.

.216 Requests for refunds which are questionable, or which cannot be processed in accordance with the provisions of 147.2 will be forwarded to the mail classification center serving the office where the request originated. The MCC manager will return the request along with his ruling to the office which submitted the request.

.22 Amount Allowable**.221 Refund of 100 Percent Will Be Made:**

- a. When the Postal Service is at fault.
- b. For the excess when postage or fees have been paid in excess of the lawful rate.
- c. When service to the country of destination has been suspended.
- d. When postage is fire-scarred while in the custody of the Postal Service, including fire in letterbox, and the mail is returned to sender without service.
- e. When special delivery stamps are erroneously used in payment of postage, and the mail is returned to the sender without service.

- f. When fees are paid for special delivery, special handling, and certified mail, and the article fails to receive the special service for which the fee has been paid.

- g. When surcharges are erroneously collected on domestic registered mail or collected in excess of the proper amount, or represented by stamps affixed to matter not actually accepted for registration.

- h. For fees paid for return receipts or for restricted delivery when the failure to furnish the return receipt or its equivalent, or erroneous delivery, or non-delivery, is due to the fault or negligence of Postal Service.

- i. For annual bulk mailing fee when no bulk mailings of third-class matter are made during the year for which the annual fee has been paid.

- j. When customs clearance and delivery fees are erroneously collected.

- k. When fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.

- l. When Express Mail is not delivered according to the terms of the service standards as delineated in Handbook M-68, *Express Mail Service*.

.222 A partial refund shall be made:

- a. When complete and legible unused meter stamps are submitted within one year from the dates appearing in the stamps. See 147.25.

- b. When the face-value of the stamps does not exceed \$250.00, refunds of 90% will be made.

- c. When the face-value of the stamps exceeds \$250.00, refunds will be made for the face value of the stamps less \$10.00 per hour for the actual manhours required to process the refund, with a minimum charge of \$25.00 deducted from the amount of the refund.

- d. The employee processing the refund will enter the following endorsement on the reverse of Form 3533:

- (1) *I certify that (number) hours were required to process this refund.*

- (2) The certifying and witnessing employees will both sign this certification.

.223 When mail is returned at the request of the sender or for a reason not the fault of the Postal Service, any difference between the amount paid and the appropriate surface rate chargeable from mailing office to interception point and return will be refunded.

.23 Unallowable Refunds. No refund will be made:

- a. For an application fee to use permit imprints.
- b. For registered, insured, and COD fees after the mail has been accepted by the post office even though it is later withdrawn from the mailing post office.
- c. For unused adhesive stamps (see 147.11 and 147.12).
- d. For adhesive stamps affixed to unmailed matter.

.24 Application for Postage Refund

.241 Customers who wish to request a refund must submit an application on Form 3533 *Application and Voucher for Refund of Postage and Fees*, to the postmaster together with the envelope or wrapper, or the portion thereof having names and addresses of sender and addressee, canceled postage and postal markings,

Exhibit D

Domestic Mail Services

147.12

146.224 Request for Payment

- a. If there is reason to believe that a private delivery firm or an individual within the delivery area of the post office is responsible for the delivery, the local postmaster must notify the firm or individual as promptly as possible concerning the number of pieces and the amount of postage due. The applicable provisions of this manual are explained. If the firm or individual receiving a request for postage objects that these regulations have not been applied properly in the particular case, the facts are investigated before any action is taken. If, within 5 days after receiving a request for the postage, or within 5 days after receiving a renewed request following investigation of an objection, the firm or individual agrees to pay the postage due, payment is accepted and the articles are delivered to the addressees. The firm or individual paying the postage may choose to redeliver the pieces rather than have the Postal Service deliver them. Receipt for payment is handled under 146.224c. If the pieces are found to have been removed improperly, they are delivered without postage charge.
- b. If the firm or individual responsible for delivery is not known or if the firm presented with a request fails to pay the postage, the pieces are returned as promptly as possible to the publisher or manufacturer, postage-due, with each piece endorsed to show that the articles were found in or on the addressee's mailbox without postage. If a publisher or manufacturer provides the name and telephone number of a person to contact about pieces found in mailboxes and orally or in writing guarantees payment of postage, the pieces are not returned but are redelivered promptly to the addressees. If the pieces are refused by the publisher or manufacturer or if the publisher or manufacturer is unknown, the procedures in 159.5 must be followed.
- c. If the firm or individual pays the postage with cash, check, or money order, a postage-due meter strip for the amount collected is affixed to a sheet of paper as a receipt. If payment is by uncanceled stamps or postage meter strips, the stamps or meter strips are affixed to a sheet, canceled, and returned as a receipt. No other receipt is issued.

146.23 Report to Another Office. If the person or firm or distributor responsible for the impermissible use of the private mail receptacles is located within an area served by another post office, a sample piece is sent with a report of the facts to the postmaster at that location with a request for action under 146.22.

146.24 Repeated Violations. If the person or firm or distributor responsible for the impermissible use of the private mail receptacles continues the impermissible use after having been notified that the use is impermissible, the postmaster submits a sample piece and a report of the facts (see 146.22) to the postal inspector-in-charge.

146.3 Collection of Postage Due

146.31 Collected on Delivery. Customers must pay for postage-due mail, in cash only, before delivery to them. However, postage on quantity mailings found in private mailboxes is collected as provided in 146.22.

146.32 Use of Postage Stamps, Permit Imprints, or Customer Meter Strips. Postage stamps, permit imprints, and customer meter strips may not be used for payment of postage due, except by Government agencies as provided in 137.265b.

146.33 Advance Deposit. If postage-due collections amount to approximately \$10 or more every 60 days, payment may be made by advance deposits of money.

146.4 When Not Collected. When it is apparent from the impression of a cancellation that a postage stamp or stamps have been wholly or partially lost, the piece must be handled, in the absence of contrary evidence, as if correct postage had been paid for the class and weight of the piece. Handle registered mail requiring additional postage under 911.26.

147 Exchanges and Refunds**147.1 Exchanges of Stamps****147.11 Unserviceable Stamps**

147.111 Post Office Mistake. Mistakes in selling damaged, defective, or otherwise unserviceable stamps may be corrected by the post office by exchanging stamps at full value.

147.112 Damaged in Customer's Possession. Stamps that are damaged or otherwise become unusable for postage because of humidity, moisture, or other causes while in a customer's possession may be exchanged at full value only for an equal number of stamps of the same denomination. Unserviceable stamps accepted from customers under these conditions must be those that have been on sale at post offices within 12 months preceding the transaction. Quantities of the same denomination in excess of \$10 must be returned in the same configuration as when purchased; i.e., sheets, coils, booklets. Each such transaction is further limited to stamps with a total value of \$100 or less from each customer.

147.113 Determining Quantities. The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If customers return partially stuck-together coils of stamps and the stamps cannot be counted, postmasters may accept the customer's estimate of the number of stamps remaining in the coil and give equal quantities in exchange.

147.114 Appeal. Customers denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, U.S. Postal Service (for address, see Address List in Appendices).

147.12 Purchaser's Mistake. Mistakes made by purchaser in buying adhesive stamps of the wrong denomination or stamped envelopes or postal cards of

Exhibit D Continued

147.13

Domestic Mail Services

the wrong kind, size, or denomination may be corrected by exchanging stamps at full value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of postal cards may be exchanged. Any customer exchanging \$250 or more of such stock must furnish proof of identity (driver's license, military I.D., or other valid identification) and must present the stock for exchange to the postal unit at which his or her mail is delivered. This procedure allows the clerk exchanging the stock to validate the customer's address. A record of each transaction of \$250 or more must be made, showing name of customer, type of I.D., business firm, address, amount, and denominations exchanged. Any suspicious circumstances should be reported immediately to the local postal inspector or inspector-in-charge.

147.13 Unserviceable Postal Stationery and Unused Precanceled Stamps. Unserviceable and spoiled stamped envelopes or postal cards, if uncanceled, and unused precanceled stamps and postal cards, are exchanged for other postage-stamped paper as follows:

- a. Stamped envelopes (mutilated no more than is necessary to remove contents), for postage value plus value of postage added as a result of rate increase or for additional service.
- b. Unmutilated aerogrammes (air-letter sheets), for postage value, less \$0.01 for each aerogramme redeemed.
- c. Unmutilated single and double postal cards, for 85% of postage value, plus full value of postage added as a result of rate increase or for additional service.
 - (1) Either half of a double postal card may be redeemed, if the double card has been printed and cut for use as single cards.
 - (2) Unused double postal cards printed for reply purposes should not be separated; however, if they have been separated in error and the purchaser presents both halves, the cards may be redeemed.
 - (3) Reply halves of double postal cards that have been returned to sender outside of the mail are not redeemable by the original purchaser, even though the reply half received no postal service.
- d. Sheet postal cards spoiled in the process of cutting to size, for 85% of postage value plus full value of postage added as a result of rate increase or for additional service, if all cut sections are submitted.
- e. Stamps affixed to commercial envelopes and postcards, for 90% of postage value. Envelopes and postcards must be in a substantially whole condition and in lots of at least 50 of the same denomination and value.
- f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders, for 90% of postage value.

Note: Stamped envelopes or aerogrammes (air-letter sheets) with a printed return address and postal cards with any printed matter of the purchaser, may be exchanged only by the purchaser. If there is no purchaser's printing, they may be exchanged by any responsible person. When redemption cannot be made at time of presentation, the postmaster must furnish a receipt on Form 3210 for uncanceled, unserviceable, or spoiled envelopes or postal cards or for unused precanceled stamps left in his or her custody.

147.14 Conversion of Postage Stamps to Other Forms of Postage

147.141 General. Mailers may submit postage stamps for conversion to a meter-setting or advance deposit for permit imprint mailings under the conditions in 147.142 through 147.146. A conversion charge of 10% of the face value of the stamps or \$250, whichever is greater, is deducted when the stamps are converted. No part of any amount applied to a meter-setting or trust account from the conversion of postage stamps is later refundable in cash or by any other means.

147.142 Where to Apply. All requests to convert postage stamps to meter or permit imprint postage must be sent to the general manager, Stamp Manufacturing Division, USPS Headquarters. The general manager forwards a copy of the request to the postal inspector-in-charge of the division where the requester's post office is located.

147.143 What May Be Converted. Only full panes of stamps, or coils of stamps in the original sealed wrappers, are accepted for conversion. Commemorative stamps issued no earlier than 1 year before the date of the request for conversion or issues of regular stamps that have not been officially withdrawn from sale at the Philatelic Sales Division are accepted under these conditions.

147.144 Conversion Rate. The amount of postage applied to a meter-setting or permit imprint trust account through conversion is the lesser of the full face value of the stamps submitted, minus 10%, or full face value minus \$250.

147.145 Submittal of Request. The customer must submit a letter to the General Manager, Stamp Manufacturing Division, requesting conversion of the stamps to meter or permit imprint postage. The letter must include the name, denomination, quantity, and value of postage stamps for which conversion is requested, and name of post office where the stamps were purchased. Evidence of purchase for the stamps must also be included with the request.

147.146 Approval. The general manager, Stamp Manufacturing Division, reviews the request and may ask the mailer to submit additional records to support the information in the request. The general manager approves or denies the request. If the conversion is authorized, the postmaster is advised of the proper procedures for accepting the postage stamps and making the required accounting entries. The general manager determines which post office has the capabilities to destroy the postage stamps. The credit is applied to the post office where the mailer has his or her meter set or deposits permit imprint mail.

Exhibit D Continued

Domestic Mail Services

147.223

147.15 Nonexchangeable. The following are nonexchangeable:

- a. Adhesive stamps, unless mistakes were made in purchasing, stamps were defective, stamps were affixed to commercial envelopes and postcards, or as provided in 147.14.
- b. Stamps cut from postal cards, stamped envelopes, or aerogrammes (air-letter sheets).
- c. Parts and pieces of postal cards.
- d. Postal cards, stamped envelopes, and aerogrammes received for reply purposes.
- e. Mutilated and defaced stamps.

147.2 Refunds of Postage and Fees**147.21 General**

147.211 Conditions. When postage and special or retail service fees have been paid and no service has been rendered, or when the amount collected was in excess of the lawful rate, a refund may be made under the conditions set forth in this section and under the following procedures:

- a. Requests for refunds submitted at a time other than the time of mailing (including requests for refunds for postage and fees paid by stamps, permit imprints, or meter impressions, requests for refunds of unused meter impressions and unused units set in meters, and requests for refunds for retail services and fees not paid by stamps, permit imprints, or meter impressions) are handled under 147.3.
- b. Requests for refunds of postage made at the time of mailing are handled under 147.4.

147.212 Improper Postal Service Acceptance. The Postal Service is assumed to be at fault and no service is rendered in cases involving returned articles improperly accepted in both domestic and international services because of excess size or weight.

147.213 Improper Mailer Preparation. Mailers who customarily weigh and rate their mail are expected to be familiar with basic requirements, and the Postal Service is not considered to be at fault when these mailers are required to withdraw articles from the mail before dispatch.

147.214 Unused Meter Stamps. See 147.222 and 147.31 for special provisions for refunding the postage value of unused meter stamps.

147.215 Torn or Defaced Mail. A postage refund may be provided the sender for First-Class, third-class single-piece, and fourth-class mail torn or defaced during processing by the Postal Service to such extent that identification of addressee or intended delivery point cannot be made. This applies only when the failure to process and/or deliver is the fault of the Postal Service. Where possible, the damaged item is returned with the postage refund.

147.216 Local Authority. Postmasters grant or deny requests for refunds under 147.2. Guidance is available from the RCC in difficult cases.

147.22 Amount Allowable

147.221 Full Refund. A full refund (i.e., 100%) is made under the following conditions:

- a. When the Postal Service is at fault.
- b. For the excess when postage or fees have been paid in excess of the lawful rate.
- c. When service to the country of destination has been suspended.
- d. When postage is fire-scarred while in the custody of the Postal Service, including fire in a letterbox, and the mail is returned to sender without service.
- e. When special delivery stamps are erroneously used in payment of postage, and the mail is returned to the sender without service.
- f. When fees are paid for special delivery, special handling, and certified mail and the article fails to receive the special service for which the fee has been paid.
- g. When surcharges are erroneously collected on domestic registered mail or collected in excess of the proper amount, or represented by stamps affixed to matter not actually accepted for registration.
- h. For fees paid for return receipts or for restricted delivery when the failure to furnish the return receipt or its equivalent, or erroneous delivery, or nondelivery is due to the fault or negligence of the Postal Service.
- i. For annual bulk mailing fee when no bulk mailings of third-class matter are made during the year for which the annual fee has been paid.
- j. When Customs clearance and delivery fees are erroneously collected.
- k. When fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.
- l. When Express Mail is not delivered according to the terms of the service standard in 222.2, 223.3, 224.4, and 230.

147.222 Partial Refund. A partial refund is made under the following conditions:

- a. When complete and legible unused meter stamps are submitted within 1 year from the dates appearing in the stamps (see 147.31).
- b. When the face value of the stamps does not exceed \$250, refunds of 90% are made.
- c. When the face value of the stamps exceeds \$250, refunds are made for the face value of the stamps, less \$10 per hour for the actual hours required to process the refund, with a minimum charge of \$25 deducted from the amount of the refund.
- d. The employee processing the refund must enter the following endorsement on the reverse of Form 3533: "I certify that (number) hours were required to process this refund." The certifying employee and a witnessing employee must both sign this certification.

147.223 Intercepted Mail. When mail is returned at the request of the sender or for a reason not the fault of the Postal Service, any difference between the amount paid and the appropriate surface rate chargeable from

Exhibit D Continued

147.23

Domestic Mail Services

mailing office to interception point and return is refunded.

147.23 Unallowable Refunds. No refund is made in the following instances:

- a. For an application fee to use permit imprints,
- b. For registered, insured, and COD fees after the mail has been accepted by the post office, even though it is later withdrawn from the mailing post office,
- c. For unused adhesive stamps, see 147.11 and 147.12, or
- d. For adhesive stamps affixed to unmailed matter.

147.24 Application for Postage Refund

147.241 Required Form and Procedure. Customers who wish to request a refund must submit an application on Form 3533 to the postmaster, together with the envelope or wrapper or the portion thereof having names and addresses of sender and addressee, canceled postage and postal markings, or other evidence of payment of the amount of postage and fees for which a refund is desired. An adverse decision by the postmaster may be appealed through the postmaster to the appropriate general manager, rates and classification center (RCC).

147.242 Optional-Procedure Mailings. Requests for refunds for optional-procedure mailings must be submitted to the RCC general manager.

147.3 Refund Requests for Payment of Excess Postage Not Submitted at Time of Mailing

147.31 Meters and Meter Stamps

147.311 Postage Adjustments. The postage value of unused units set in a meter surrendered to the post office to be checked out of service may be refunded or, if desired, an equivalent amount is transferred to another meter used by the same license holder. If the meter is withdrawn from service because of faulty mechanical operation, a final postage adjustment or refund may be withheld pending report of the meter manufacturer of the cause of faulty operation. If the meter is damaged by fire, a refund or transfer of postage is made only if the registers are legible, or can be reconstructed by the meter manufacturer.

147.312 What to Submit

- a. Unused meter stamps are considered for refund, only if
 - (1) The meter stamps are complete and legible;
 - (2) They are on the portion of the envelope or wrapper bearing the name and address of the addressee, including the window on a window envelope;
 - (3) They are accompanied by an application on Form 3533; and
 - (4) They are submitted for refund within 1 year of the dates appearing in the stamps.
- b. If a portion of the stamp is printed on one envelope or card and the remaining portion on another, the two must be fastened together to show that the two portions represent one stamp.

- c. Meter stamps printed on labels or tapes that have not been stuck to wrappers or envelopes must be submitted loose.
- d. Refunds are allowable for stamps on metered reply envelopes only when it is obvious that an incorrect amount of postage was printed thereon.
- e. Submit separately, with statement of facts, envelopes or address portions of wrappers on mail returned to sender from the mailing office, marked "No such post office in state named, returned for better address" or "Received without contents," indicating no effort was made to deliver.

147.313 What Not to Submit

- a. Meter reply envelopes or cards paid at the proper rate of postage.
- b. Meter stamps printed on labels or tape that have been removed from wrappers or envelopes.
- c. Meter stamps without the name of the post office and state.
- d. Meter stamps without the date printed on tape (see 144.47).
- e. Meter stamps printed on mail that was dispatched from the mailing post office in regular course and returned to sender as undeliverable, including mail marked "No such post office in state named."
- f. Meter stamps on mail addressed for local delivery and returned to sender after directory service was given or effort was made to deliver.

147.32 Processing Refunds for Postage Stamps, Meter Impressions, Permit Imprints, or Rejected Personalized Envelopes

147.321 Offices With 950 or More Revenue Units. At offices with 950 or more revenue units, the accepting employee does the following:

- a. Reviews the application and supporting papers.
- b. If a refund is due, completes the "Verification of Refund" on Form 3533.
- c. Pays the applicant in cash, except for meter stamps, from official funds on hand, if practicable to do so and if the refund is made in person. For all refunds for meter stamps greater than \$10, use a no-fee money order or a Treasury check payable to the registered license holder of the meter serial number from which postage is being refunded. Refunds for meter stamps for \$10 or less may be made in cash.
- d. Has the payee sign the receipt on Form 3533.
- e. If requested, or if refund is to be mailed, by a Treasury check, or, if less than \$700, by no-fee money order under Handbook F-1, 720, records the check or money order number on the receipt portion of Form 3533 instead of obtaining the payee's signature. When the amount of the refund is less than \$2, a check or money order is not issued unless the payee or his or her representative is physically unable to come to the post office.
- f. Retains the receipted copy of Form 3533 in the files to support the office copy of the statement of account.
- g. Destroys envelopes, wrappers, or other evidence submitted with the application, as provided in 147.332a(4).

Exhibit E

DOMESTIC MAIL MANUAL
TRANSITION BOOKUNITED STATES POSTAL SERVICE
WASHINGTON DC 20260-1540

JULY 1, 1993

A. Purpose and Effective Date. In revising the *Domestic Mail Manual* (DMM), more than half the material contained in Issue 45 was identified as not being necessary to set forth standards that must be met by customers in preparing their mailings. That material was mostly in three categories: recommendations for voluntary customer action, redundant or unnecessary language, and internal postal instructions. The remaining content of Issue 45 was extensively rewritten and reformatted for inclusion in Issue 46 (effective July 1, 1993). *The standards applicable to customers in Issue 46 do not differ in substantive effect from the regulations contained in Issue 45, except as noted in the Summary of Changes (Unit 1020).*

The internal postal instructions not included in Issue 46 remain necessary for postal operations and need to be maintained pending their incorporation in other documents. Similarly, there may be customers whose current mailing practices follow some of the recommendations or instructions in Issue 45. Thus, the Postal Service has created this *Transition Book* to publish the regulations from DMM Issue 45 that contain significant internal postal instructions and major recommendations to customers that were not incorporated in Issue 46. These regulations remain in effect as part of the DMM, incorporated by reference in the Code of Federal Regulations (see 39 CFR 111.1). The *Transition Book* is effective on July 1, 1993, and the regulations contained herein shall remain in effect, unless changed in the interim, until June 30, 1994.

The editorial process that produced Issue 46 impacted virtually every section of Issue 45 — sections, sometimes parts of the same section, were divided or combined, rewritten, rearranged, deleted, or marked for temporary retention. As a result, it is impossible to produce an extract of just those passages that were eliminated or included in the *Transition Book*. Instead, this document shows *entire sections* that contain significant internal postal instructions and major recommendations to customers. *It is not meant to be a definitive listing of every section from Issue 45 that was affected or that was not included in Issue 46.* Similarly, the appearance of a regulation in this document does not mean it was excluded from Issue 46.

This *Transition Book* includes cross-reference tables that show both the disposition of Issue 45 contents and the origin of Issue 46 material. These tables detail the corresponding information to no more than the second decimal level for Issue 45 section numbers and to no less than the Unit level in Issue 46. For purposes of the cross-reference tables, all sections are considered edited; sections are shown as deleted only if included in neither Issue 46 nor the *Transition Book*.

B. Change Bars. A change bar (a vertical rule in the margin) beside text indicates a revision to the regulations published in DMM Issue 45 (12-20-92).

C. Public Source. This document is available on a one-time basis from the Superintendent of Documents, U.S. Government Printing Office.

D. Postal Service Distribution. This document was distributed to all offices receiving copies of the DMM.

E. Postal Service Requisition. Offices needing additional copies of this document must order them through the material distribution centers, using Form 7380, *MDC Supply Requisition*.

F. Comments. If you cannot find or understand instructions or regulations in this manual, contact your local post office or send your inquiry to:

MAILING STANDARDS
US POSTAL SERVICE
475 L'ENFANT PLAZA SW RM 8430
WASHINGTON DC 20260-2419

Richard D. Weirich
Vice President
Information Systems

Exhibit E Continued

Cross-Reference Tables

DMM Transition Book

DMM 45	DMM 46	TBK	Comments	DMM 45	DMM 46	TBK	Comments
136.94	P072	136.94		174	—	174	
136.95	M072	—		175	—	175	
136.96	M072	—		176	G900	176	
136.96	P072	—		210	E500	—	Text Only
136.97	D070	—		210	R500	—	Exhibit Only
137.1	E050	137.1		212	R500	—	In Exhibit 210
137.2	E060	137.2		213	—	—	Deleted
138	E080	138		214	—	—	Deleted
141	P021	141		215.1	E500	—	
142	P022	142		215.1	R500	—	
143	P023	143		215.2	E500	—	
144.1	P030	—		215.2	R500	—	
144.2	P030	144.2		216	E500	—	
144.3	P030	144.3		221.1	E500	—	
144.4	P030	—		221.2	E500	—	
144.5	P030	144.5		221.3	—	—	Deleted
144.6	—	144.6		221.4	E500	—	
144.7	—	144.7		222.1	E500	—	
144.8	D072	144.8		222.2	M500	222.2	
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145.3	P040	—		223	D500	—	
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145.9	P730	145.9		225.1	E500	—	
145.9	P790	145.9		225.2	E500	—	
146	P011	146		225.3	D010	—	
147	P014	147		225.4	D500	—	
148	P011	—		226	D010	—	
149	S010	149		226	D500	—	
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151.4	—	—	Del. 7/1/93	227	D500	—	
152	D030	152		230	D500	—	
153	D042	153		240	E500	—	
154.1	D020	—		242	E500	—	
154.2	D020	—		250	C500	—	
154.3	D020	—		252	C500	—	
154.4	M074	—		260	M500	—	
154.5	M074	—		270	D500	270	
154.6	D020	—		272	D500	—	
154.7	D020	154.7		273	D500	273	
154.8	D020	—		281	P500	—	
155	D042	155		282	P500	—	
156	D042	156		283	—	—	Deleted
157	D042	157		284	—	—	Deleted
158	—	158		285	—	—	Deleted
159.1	F010	159.1		286	—	—	Deleted
159.2	F020	159.2		287	—	—	Deleted
159.3	F030	159.3		291.1	F020	291.1	
159.4	F010	159.4		291.2	F020	291.2	
159.5	F010	159.5		291.3	F030	291.3	
161	G900	161		292.1	F030	292.1	
162	G900	162		292.2	F030	—	
163	G900	163		292.3	F010	292.3	
164	G900	164		293	—	293	
165	—	165		294	F030	294	
166	G013	166		295.1	F010	295.1	
171	G900	171		295.1	S500	295.1	
172	G900	—		295.2	F010	295.2	
173	G900	173		295.2	S500	295.2	

Exhibit F

P014

Refunds and Exchanges

1.0 EXCHANGES OF STAMPS

USPS Fault The post office may correct mistakes in selling damaged, defective, or otherwise unserviceable stamps by exchanging stamps at full value.

1.1

Damaged in Customer's Possession Stamps that are damaged or otherwise unusable for postage (because of humidity, moisture, or other causes) while in a customer's possession may be exchanged only for an equal number of stamps of the same denomination. Unusable stamps accepted from customers under these conditions must be those on sale at post offices within 12 months before the transaction. Quantities of the same denomination over \$10 must be returned in the same configuration as when bought; i.e., sheets, coils, booklets. Each such transaction is limited to \$100 worth of stamps from each customer.

1.2

Condition and Quantity The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If coils of stamps are partially stuck together and cannot be counted, the postmaster may accept the customer's estimate of the number of stamps left in the coil and give equal quantities in exchange.

1.3

Appeal Customers denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, USPS Headquarters.

1.4

Purchase Error If a customer purchased the wrong denomination stamps (or the wrong kind, size, or denomination envelope), they may be exchanged at full value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of postal cards may be exchanged. A customer exchanging \$250 or more of such stock must furnish proof of identity (e.g., a driver's license) and must present the stock for exchange to the postal unit from which his or her mail is delivered.

1.5

Exchange of Spoiled and Unused Postal Matter Unusable and spoiled stamped envelopes or postal cards, if uncanceled, and unused precanceled stamps and postal cards, are exchanged for other postage-stamped paper:

1.6

- a. Stamped envelopes (mutilated no more than is necessary to remove contents): postage value plus value of postage added because of a rate increase or for additional service (see note below).
- b. Unmutilated aerogrammes (air-letter sheets): postage value minus \$0.01 for each aerogramme redeemed (see note below).
- c. Unmutilated single and double postal cards: 85% of postage value, plus full value of postage added because of a rate increase or for additional service. Either half of a double postal card may be redeemed, if the double card is printed and cut for use as single cards. Unused double postal cards printed for reply should not be separated but, if they are separated in error and the buyer presents both halves, the cards may be redeemed. Reply halves of double postal cards returned to sender outside of the mail are not redeemable by the original buyer, even though the reply half received no postal service.

Exhibit F Continued

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Postage and Payment Methods

- d. Sheet postal cards spoiled when cut to size: 85% of postage value plus full value of postage added because of a rate increase or for additional service, if all cut sections are submitted.
- e. Stamps affixed to commercial envelopes and postcards: 90% of postage value. Envelopes and postcards must be in substantially whole condition and in lots of at least 50 of the same denomination and value.
- f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders: 90% of postage value.

Note: Only the buyer may exchange stamped envelopes or aerogrammes (air-letter sheets) with a printed return address and postal cards with any printed matter of the buyer. If there is no purchaser's printing, any responsible person may exchange them.

**Stamps
Converted to
Other Forms of
Postage**
1.7

Mailers may submit postage stamps for conversion to a meter-setting or advance deposit for permit imprint mailings subject to these conditions:

- a. Only full panes of stamps, or coils of stamps in the original sealed wrappers, are accepted for conversion, including commemorative stamps issued no earlier than 1 year before the date of the requested conversion or issues of regular stamps not officially withdrawn from sale.
- b. All requests for such conversion must be in writing to the Stamp Manufacturing Division, USPS Headquarters. The letter must include the name, denomination, quantity, and value of postage stamps for which conversion is requested, the name of post office where the stamps were bought, and evidence of purchase of the stamps. The mailer may be asked to provide additional records to support the information in the request.
- c. The amount of postage applied to a meter-setting or permit imprint advance deposit account through conversion is the full face value of the stamps submitted minus a conversion charge of 10% of the face value of the stamps or \$250, whichever is greater.
- d. No part of any amount applied to a meter-setting or advance deposit account from the conversion of postage stamps is later refundable in cash or by any other means.

**Not
Exchangeable**
1.8

The following are not exchangeable:

- a. Adhesive stamps, unless mistakes were made in buying, stamps were defective, stamps were affixed to commercial envelopes and postcards, or under 1.7.
- b. Stamps cut from postal cards, stamped envelopes, or aerogrammes (air-letter sheets).
- c. Parts and pieces of postal cards.
- d. Postal cards, stamped envelopes, and aerogrammes received for reply.
- e. Mutilated and defaced stamps.

2.0 POSTAGE AND FEES REFUNDS

Refunds
2.1 A refund may be made under:

- a. The standards below if postage and special or retail service fees are paid and no service is rendered, or if the amount collected was in excess of the lawful rate.
- b. 3.0 for refund requests made at a time other than the time of mailing (including refunds for postage and fees paid by stamps, permit imprints, or meter impressions; refunds of unused meter impressions and unused units set in meters, and refunds for retail services and fees not paid by stamps,

Exhibit F Continued

Postage and Payment Methods

P014.2.7

permit imprints, or meter impressions).

- c. 4.0 for refund requests for postage made at the time of mailing.
- d. P021 for rejected personalized envelopes.

Ineligible Matter The USPS is assumed to be at fault and no service is rendered in cases involving returned articles improperly accepted in either domestic or international service because of excess size or weight. Mailers who customarily weigh and rate their own mail are expected to be familiar with basic standards. The USPS is not at fault if these mailers are required to withdraw articles from the mail before dispatch.

Torn or Defaced Mail If First-Class, third-class single-piece, and fourth-class mail is torn or defaced during USPS handling so that the addressee or intended delivery point cannot be identified, the sender may receive a postage refund. This applies only when the failure to process and/or deliver is the fault of the USPS. Where possible, the damaged item is returned with the postage refund.

Full Refund A full refund (100%) may be made when:

- 2.4 a. The USPS is at fault.
- b. Excess postage or fees are paid in excess of the lawful rate.
- c. Service to the country of destination is suspended.
- d. Postage is fire-scarred while in USPS custody (including in the letterbox), and the mail is returned to sender without service.
- e. Special delivery stamps are mistakenly used to pay postage, and the mail is returned to the sender without service.
- f. Fees are paid for special delivery, special handling, and certified mail, and the article fails to receive the special service for which the fee is paid.
- g. Surcharges are mistakenly collected on domestic registered mail or collected over the proper amount, or represented by stamps affixed to matter not actually accepted for registration.
- h. Fees are paid for return receipts or for restricted delivery, and the USPS (through fault or negligence) fails to furnish the return receipt or its equivalent, or makes erroneous delivery or nondelivery.
- i. An annual bulk mailing fee is paid and no bulk mailings of third-class matter are made during the corresponding 12-month period.
- j. Customs clearance and delivery fees are erroneously collected.
- k. Fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.
- l. Express Mail is not delivered in accordance with the applicable service standard.

Partial Refund A partial refund is made when:

- 2.5 a. Complete and legible unused meter stamps are submitted within 1 year from the dates shown on the stamps.
- b. The face value of the stamps is \$250 or less: 90% refund.
- c. The face value of the stamps is over \$250: refund is made for the face value of the stamps minus \$10 per hour for the actual hours to process the refund; the minimum charge is \$25.

Intercepted Mail When mail is returned at the sender's request or for a reason not the fault of the USPS, any difference between the amount paid and the appropriate surface rate chargeable from mailing office to interception point and return is refunded.

Unallowable Refunds Refunds are not made for:

- 2.7 a. An application fee to use permit imprints.
- b. Registered, insured, and COD fees after the USPS accepts the mail, even if it

Exhibit F Continued

P014.2.8

Postage and Payment Methods

is later withdrawn from the mailing post office.

- c. Unused adhesive stamps.
- d. Adhesive stamps affixed to unmailed matter.

Applying for Refund 2.8 The customer must apply for a refund on Form 3533, submitted to the postmaster, and must provide the envelope, wrapper, or a part of it showing the names and addresses of the sender and addressee, canceled postage and postal markings, or other evidence of postage and fees paid for which the refund is requested.

Ruling on Refund Request 2.9 The local postmaster grants or denies requests for refunds under 2.0. The customer may appeal an adverse decision through the postmaster to the RCSC. A mailer's request for a refund for an optional-procedure mailing must be submitted to the RCSC manager.

3.0 REFUND REQUESTS FOR EXCESS POSTAGE – SUBMITTED AFTER MAILING

Unused Meter Units 3.1 The postage value of unused units in a meter being checked out of service may be refunded or an equivalent amount may be transferred to another meter used by the same license holder. If the meter is withdrawn from service for faulty mechanical operation, a final postage adjustment or refund may be withheld pending the meter manufacturer's report of the cause of faulty operation. If the meter is damaged by fire, postage is refunded or transferred only if the registers are legible, or can be reconstructed by the meter manufacturer.

Unused Meter Stamps 3.2 Unused meter stamps are considered for refund only if complete and legible, submitted with Form 3533 within 1 year of the date in the meter stamp, and part of the envelope or wrapper showing the addressee's name and address (including the window on a window envelope). Meter stamps printed on labels or tapes not stuck to wrappers or envelopes must be submitted loose. If a part of the stamp is printed on one envelope or card and the remaining part on another, the two must be fastened together to show that they represent one stamp. Refunds are allowable for stamps on metered reply envelopes only when it is obvious that an incorrect amount of postage was printed on them. Envelopes or address parts of wrappers on mail returned to sender from the mailing office, marked to show no effort was made to deliver (e.g., "Received without contents") must be submitted separately with an explanation.

What Not to Submit 3.3 Do not submit:

- a. Meter reply envelopes or cards paid at the proper postage rate;
- b. Meter stamps printed on labels or tape removed from wrappers or envelopes;
- c. Meter stamps lacking a date or the post office and state name;
- d. Meter stamps printed on mail dispatched and returned to sender as undeliverable as addressed, including mail marked "No such post office" and mail addressed for local delivery and returned after directory service was given or delivery was attempted.

Rounding 3.4 Any fractions of a cent in the total to be refunded are rounded in favor of the USPS (e.g., \$4.187 is rounded to \$4.18).

4.0 REFUND REQUESTS FOR EXCESS POSTAGE – SUBMITTED AT TIME OF MAILING ("VALUE ADDED REFUNDS")

Value Added Refund 4.1 Subject to the standards below, a presenter (i.e., the mailer or other party, such as a presort service bureau), who prepares First-Class or bulk third-class mail for customers and presents it to the USPS in their behalf, may request a "value added refund" for postage affixed to mail in excess of the rate applicable to that mail when presented to

Exhibit F Continued

Postage and Payment Methods

P014.4.10

the USPS. A presenter must be authorized by the USPS to seek a value added refund. Any refund is issued to the presenter, and the disposition of any such refund is a private matter between the presenter and the presenter's customer.

Application The presenter must apply in writing to the postmaster serving each location where mailings are to be deposited, verified, and paid. The application must describe the presenter's mail preparation system and the documentation it can produce, and must show that the presenter can produce the mailing statements and the refund documentation required by 4.17.

Mailer System Eligibility to submit requests for value added refunds requires that the presenter process and document mail through a fully automated mail sorting system that includes a single- or multiline optical character reader (OCR) to read the address information and determine the correct ZIP + 4 code; an ink jet or laser printer to apply the correct POSTNET barcode in the required location; and a barcode reader (BCR) to read the POSTNET barcode, verify it for accuracy, and sort the mailpiece to the correct location.

Presenter Agreement In applying for authorization to make value added requests, the presenter agrees:

- That verification samples taken by the USPS represent the entire mailing and are to be used to adjust the total refund amount requested.
- To provide the USPS with advance written notice of plans for system changes that affect the calculation of postage, amount of refund, generation of required documentation, or mail presorting.
- To cooperate with the USPS during mail verification or system audits, and to process sampled mail through BCRs when requested.

Authorization If approved, an authorization to make refund requests is valid for a period not to exceed 1 year, subject to renewal after USPS review.

Appeal If denied, the presenter may file a written appeal within 15 days to the RCSC. If the RCSC upholds the denial, further appeal may be made to the Business Mail Acceptance manager, USPS Headquarters, who issues the final agency decision.

Suspension The RCSC manager may suspend an authorization after determining that the presenter does not comply with the standards in 4.0.

Cancellation The RCSC manager may cancel an authorization if:

- The presenter consistently provides incorrect information and is unwilling or unable to correct the problem.
- The presenter continually fails to meet the standards in 4.0.
- No mailings are made under these procedures during any 6 consecutive months.

Appeal of Cancellation or Suspension A cancellation of suspension is effective 15 days from the presenter's receipt of the notice unless, during that time, the presenter files a written appeal with the RCSC manager stating why the authorization should not be canceled or suspended. If the manager upholds the action, the appeal is forwarded to the Business Mail Acceptance manager, USPS Headquarters, who issues the final agency decision. A final cancellation takes effect 15 days after receipt by the mailer.

Form 8096 Required The presenter must provide the USPS with an original Form 8096 completed and signed by each of the presenter's customers who meter any pieces in the mailing for which a value added refund is requested, and a list of those customers. (If metered postage is affixed to the pieces by an intermediate agent (not the presenter of the

Exhibit F Continued

P014.4

Postage and Payment Methods

mailing) for the owner of the pieces, a signed Form 8096 must be on file from the agent whose meters were used to affix the postage.) Refund requests are denied if all required Forms 8096 are not provided.

Form 8096 Not Required
4.11 Form 8096 is not required for a customer whose mail is metered by the presenter with the presenter's own meters. In such cases, the presenter must provide the post office where it submits refund requests with a list, in ascending numeric order, of its own meter numbers and those of any intermediate agents used for affixing postage to the presenter's clients' pieces included in the mailing.

First-Class
4.12 If a value added refund request is submitted when a First-Class mailing is presented to the USPS, each piece in the mailing must be:
a. Letter-size and weigh 3 ounces or less.
b. Part of a barcoded mailing prepared by the presenter.
c. Metered by the presenter or the presenter's customer at the Presorted First-Class, ZIP + 4 Presort, or one of the ZIP + 4 Barcoded rates applicable to a piece of that weight, including the full postage for the second and third ounce if applicable.

Third-Class
4.13 If a value added refund request is submitted when a third-class mailing is presented to the USPS, each piece in the mailing must be:
a. Letter-size and weigh 3 ounces or less.
b. Part of a barcoded mailing prepared by the presenter.
c. Metered by the presenter or the presenter's customer at the 3/5 presort, basic ZIP + 4, or one of the ZIP + 4 Barcoded minimum per-piece rates.
Pieces for each entry must be prepared as a separate mailing if the destination entry rates are claimed.

Criteria for Mailing
4.14 A mailing for which a value added refund request will be submitted must meet these criteria:
a. The presenter must process the mail for each customer so that the rate of postage affixed on each piece can be documented by customer and rate category.
b. Documentation must be kept showing internal quality control procedures done for each mailing submitted for which a value added refund is claimed.
c. Mailers must sleeve, band, and ACT tag all trays, as applicable.
d. Mail must be prepared by the standards corresponding to the First- or third-class rate claimed. Only one presort option may be used for a single mailing.
e. If the residual portion of a First-Class Barcoded rate mailing for which a value added refund is claimed includes pieces weighing over 2 ounces, they must be separated from pieces weighing 2 ounces or less.
f. A bulk third-class mailing may not contain both regular and nonprofit rate pieces.

Mailing Statements
4.15 The presenter must provide a complete and accurate mailing statement with each mailing annotated to show the presort option used to prepare that mailing, and reporting postage data based on the rate category for which each piece qualifies when presented to the USPS.

Applying for Refund
4.16 To request a value added refund, Form 3533 and supporting documentation as described below must be provided with the corresponding mailing at the time of mailing. After the time of mailing, refund applications are not considered. The entry office postmaster pays refunds weekly or on another schedule agreed to with the mailer.

Exhibit F Continued

Postage and Payment Methods

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- Documentation for Mailings** The presenter must provide documentation to the USPS that supports the value added refund request and enables specific and efficient USPS verification of that request.
- 4.17 Each mailing must be accompanied by a separate Form 3533, mailing statement, documentation required by other standards for the rate claimed, and supporting documentation for the value added refund request. Unless the RCSC grants a specific exception, these forms of documentation are required to support a value added refund request:
- The customer mail report describing the mail received by the presenter from each of its clients for inclusion in the mailing, and a summary of that information.
 - The sortation/qualification report detailing by ZIP Code the number of pieces qualifying for each rate by presort level.
 - A list of the pieces in the residual portion of a First-Class ZIP + 4 Barcoded rate mailing that weigh over 2 ounces, unless all such pieces are separated physically for verification.
 - If the presenter is authorized to prepare mailings combining permit imprint pieces and pieces with postage affixed, the documentation must be modified as needed to describe volume and postage for each payment method and provide any further detail required by the standards for such authorization.
 - The refund calculation report documenting the amount of the requested refund by comparing the potential excess postage paid, based on the report in (a), with the actual postage owed, based on reports in (b) (and (c) and (d), as applicable). The refund calculation report must fully reconcile the data in the other reports and provide direct proof of the accuracy of the calculated refund.

5.0 EXPRESS MAIL POSTAGE REFUNDS

- Basic Information** Claims for refunds of postage may be made only by the mailer within 90 days of the date of mailing. Mailers may file for a refund of postage for any item not available for claim or for which delivery was not attempted within the service objective applicable to the specific Express Mail service, as described in D500, as guaranteed at the time of mailing.
- 5.1
- Purchase Record** The mailer (the sender or holder of an Express Mail Corporate Account) must complete and submit Part I of Form 3533 in duplicate to any post office. This form must be accompanied by the mailer's receipt (the original customer copy of the Label 11). The level of service marked on Label 11 is the level guaranteed. If an article is not delivered, delivery is not attempted, or the article has not arrived at the pickup point by the day and time shown on Label 11, the USPS issues a refund under the applicable standards.
- 5.2
- Immediate Refunds** If the mailer used adhesive or meter stamps, the USPS refunds the postage in cash or by a no-fee money order immediately, if the addressee copy of Label 11 is available or the USPS can determine otherwise that the time and date of delivery, delivery attempt, or availability at the pickup point did not meet the commitment marked on Label 11.
- 5.3
- Deferred Refunds** If the mailer used adhesive or meter stamps and it is not possible to verify the delivery failure immediately, the USPS researches the application and, if appropriate, issues a refund to the mailer within 5 business days. If the mailer paid postage by Express Mail Corporate Account or federal government agency account, the USPS refunds by a credit to that account within 5 business days.
- 5.4

Exhibit G

Refunds and Exchanges

P014.1.6



P000 Basic Information
P010 General Standards

P014 Refunds and Exchanges

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1.0 STAMP EXCHANGES

USPS Fault 1.1 The post office may correct mistakes in selling damaged, defective, or otherwise unserviceable stamps by exchanging stamps at full postage value.

Damaged in Customer's Possession 1.2 Stamps that are damaged or otherwise unusable for postage (because of humidity, moisture, or other causes) while in a customer's possession may be exchanged only for an equal number of stamps of the same denomination. Unusable stamps accepted from a customer under these conditions must be those on sale at post offices within 12 months before the transaction. Quantities of the same denomination over \$10 must be returned in the same configuration as when bought, i.e., sheets, coils, booklets. Each such transaction is limited to \$100 worth of postage from each customer.

Condition and Quantity 1.3 The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If coils of stamps are partially stuck together and cannot be counted, the postmaster may accept the customer's estimate of the number of stamps left in the coil and give equal quantities in exchange.

Appeal 1.4 Any customer denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, USPS Headquarters (see G043 for address).

Purchase Error 1.5 If a customer bought the wrong denomination stamps (or the wrong kind, size, or denomination envelope), they may be exchanged at full postage value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of stamped cards may be exchanged. A customer exchanging \$250 or more of such stock must show proof of identity (e.g., a driver's license) and must present the stock for exchange to the postal unit from which his or her mail is delivered.

Exchange of Spoiled and Unused Postal Matter 1.6 Unusable and spoiled stamped envelopes or stamped cards, if uncanceled, and unused precanceled stamps and stamped cards, are exchanged for other postage-stamped paper. Only the buyer may exchange stamped envelopes or aerogrammes (airletter sheets) with a printed return address and stamped cards with any printed matter of the buyer. If there is no purchaser's printing, any responsible person may exchange them. These conditions apply:

- Stamped envelopes (mutilated no more than is necessary to remove contents): postage value plus value of postage added because of a rate increase or for additional service.
- Unmutilated aerogrammes (airletter sheets): postage value minus \$0.01 for each aerogramme redeemed.
- Unmutilated single and double stamped cards: 85% of postage value, plus full value of postage added because of a rate increase or for additional service. Either half of a double stamped card may be redeemed, if the double card is printed and cut for use as single cards. Unused double stamped cards printed for reply should not be separated but, if they are separated in error and the buyer presents both halves, the cards may be redeemed. Reply

Exhibit G Continued



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Refunds and Exchanges

halves of double stamped cards returned to sender outside of the mail are not redeemable by the original buyer, even though the reply half received no postal service.

- d. Sheet stamped cards spoiled when cut to size: 85% of postage value plus full value of postage added because of a rate increase or for additional service, if all cut sections are submitted.
- e. Stamps affixed to commercial envelopes and postcards: 90% of postage value. Envelopes and postcards must be in substantially whole condition and in lots of at least 50 of the same denomination and value.
- f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders: 90% of postage value.

**Stamps Converted to
Other Postage Forms**
1.7

A customer may submit postage stamps for conversion to a meter-setting or advance deposit for permit imprint mailings, subject to these conditions:

- a. Only full panes of postage stamps (or coils of stamps in the original sealed wrappers) are accepted for conversion. Accepted stamps include commemorative stamps issued no earlier than 1 year before the requested conversion date or regular stamp issues not officially withdrawn from sale.
- b. A request for stamp conversions must be in writing to the district manager of Customer Service and Sales of the district where the customer's post office is located. The customer's request must include:
 - (1) Name, denomination, quantity, and value of postage stamps for which conversion is requested.
 - (2) Name of the post office where the stamps were bought.
 - (3) Evidence of purchase of the stamps.
- c. The amount of postage applied to a meter-setting or permit imprint advance deposit account through conversion is the full face value of the stamps.
- d. The district manager may ask the customer to submit additional records to support the information in the request. After reviewing the documentation, the district manager approves or denies the request. The customer is notified when the conversion is approved. The postmaster is advised of the procedures for accepting the stamps and making the required accounting entries.
- e. No part of any amount applied to a meter-setting or advance deposit account from the conversion of postage stamps is later refundable in cash or by any other means.

Not Exchangeable
1.8

The following postage items are not exchangeable:

- a. Adhesive stamps, unless mistakes were made in buying, stamps were defective, stamps were affixed to commercial envelopes and postcards, or under 1.7.
- b. Stamps cut from stamped cards, stamped envelopes, or aerogrammes (airletter sheets).
- c. Parts and pieces of stamped cards.
- d. Stamped cards, stamped envelopes, and aerogrammes received for reply.
- e. Mutilated and defaced stamps.

Exhibit G Continued

Refunds and Exchanges

P014.2.4



2.0 POSTAGE AND FEES REFUNDS

Refund Standards

2.1

A refund for postage and fees may be made under:

- a. The standards below if postage and special or retail service fees are paid and no service is rendered, or if the amount collected was more than the lawful rate.
- b. 3.0 for refund requests made at a time other than the time of mailing (including refunds for postage and fees paid by stamps, permit imprints, or meter impressions, refunds of unused meter impressions and unused units set in meters, and refunds for retail services and fees not paid by stamps, permit imprints, or meter impressions).
- c. 4.0 for refund requests for postage made at the time of mailing.
- d. P021 for rejected personalized envelopes.

Ineligible Matter

2.2

The USPS is presumed at fault and no service is rendered in cases involving returned articles improperly accepted in either domestic or international service because of excess size or weight. Any mailer who customarily weighs and rates mail is expected to be familiar with basic standards. The USPS is not at fault if the mailer is required to withdraw articles from the mail before dispatch.

Torn or Defaced Mail

2.3

If First-Class Mail or Standard Mail (B) is torn or defaced during USPS handling so that the addressee or intended delivery point cannot be identified, the sender may receive a postage refund. This applies only when the failure to process and/or deliver is the fault of the USPS. Where possible, the damaged item is returned with the postage refund.

Full Refund

2.4

A full refund (100%) may be made when:

- a. The USPS is at fault.
- b. Postage or fees are paid in excess of the lawful rate.
- c. Service to the country of destination is suspended.
- d. Postage is fire-scarred while in USPS custody (including in the letterbox), and the mail is returned to sender without service.
- e. Special delivery stamps are mistakenly used to pay postage, and the mail is returned to the sender without service.
- f. [03-14-99] Fees are paid for special handling, certified mail, or delivery confirmation and the article fails to receive the special service for which the fee is paid.
- g. Surcharges are mistakenly collected on domestic registered mail or collected over the proper amount, or represented by stamps affixed to matter not actually accepted for registration.
- h. Fees are paid for return receipt or for restricted delivery, and the USPS (through fault or negligence) fails to furnish the return receipt or its equivalent, or makes erroneous delivery or nondelivery.
- i. An annual mailing fee is paid and no mailings of Standard Mail (A) matter are made during the corresponding 12-month period.
- j. Customs clearance and delivery fees are erroneously collected.
- k. Fees are paid for registry or insurance service on mail addressed to a country to which such services are not available, unless claim for indemnity is made.

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Exhibit G Continued



P014.2.5

Refunds and Exchanges

- I. Express Mail is not delivered according to the applicable service standard. No refund is made if the mail was properly detained for law enforcement purposes (see *Administrative Support Manual* 274).

Partial Refund—Meter Stamps
2.5

A partial refund for complete and legible unused meter stamps is made when they are submitted within 1 year from the dates shown on the stamps. If the face value of the stamps is \$250 or less, 90% is refunded. If the face value is more than \$250, refund is made for the face value of the stamps minus \$10 per hour for the actual hours to process the refund; the minimum charge is \$25.

Intercepted Mail
2.6

When mail is returned at the sender's request or for a reason not the fault of the USPS, any difference between the amount paid and the appropriate surface rate chargeable from mailing office to interception point and return is refunded.

Unallowable Refunds
2.7

Refunds are not made for the following:

- a. An application fee to use permit imprints.
- b. Collect on delivery (COD), Express Mail insurance, insured, and registered fees after the USPS accepts the article, even if the article is later withdrawn from the mail.
- c. Unused adhesive stamps (may be exchanged under 1.1 through 1.5).
- d. Adhesive stamps affixed to unmailed matter.

Applying for Refund
2.8

The customer must apply for a refund on Form 3533, submitted to the postmaster, and must provide the envelope, wrapper, or a part of it showing the names and addresses of the sender and addressee, canceled postage and postal markings, or other evidence of postage and fees paid for which the refund is requested.

Ruling on Refund Request
2.9

The local postmaster grants or denies requests for refunds under 2.0. The customer may appeal an adverse decision through the postmaster to the RCSC. A mailer's request for a refund for an Optional Procedure (OP) mailing must be submitted to the RCSC manager.

Breast Cancer Research Semi-Postal Stamps
2.10

[01-10-99] Customers may exchange or convert Breast Cancer Research semi-postal stamps for their postage value, i.e., the price of the stamps less the contribution amount, to the extent exchange or conversion of postage stamps is permitted under P014. The postage exchanged or converted is equivalent to the First-Class Mail single-piece rate in effect at the time of exchange. The contribution amount is not included in the exchange or conversion value.

3.0 REFUND REQUEST FOR METERED POSTAGE

Unused Meter Units
3.1

The postage value of unused units in a meter being checked out of service may be refunded or an equivalent amount may be transferred to another meter used by the same license holder. If the meter is withdrawn from service for faulty mechanical operation, a final postage adjustment or refund may be withheld pending the meter manufacturer's report of the cause of faulty operation. If the meter is damaged by fire, postage is refunded or transferred only if the registers are legible, or can be reconstructed by the meter manufacturer.

Unused Meter Stamps
3.2

Unused meter stamps are considered for refund only if complete and legible, submitted with Form 3533 within 1 year of the date in the meter stamp, and part of the envelope or wrapper showing the addressee's name and address (including the window on a window envelope). Meter stamps printed on labels or tapes not stuck to wrappers or envelopes must be submitted loose. If a part of the stamp is

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printed on one envelope or card and the remaining part on another, the two must be fastened together to show that they represent one stamp. Refunds are allowable for stamps on metered reply envelopes only when it is obvious that an incorrect amount of postage was printed on them. Envelopes or address parts of wrappers on mail returned to sender from the mailing office, marked to show no effort was made to deliver (e.g., "Received without contents"), must be submitted separately with an explanation.

**Ineligible Meter
Postage Items**
3.3

The following meter postage items are ineligible for refunds:

- a. Meter reply envelopes or cards paid at the proper postage rate.
- b. Meter stamps printed on labels or tape removed from wrappers or envelopes.
- c. Meter stamps lacking a date or the post office and state name.
- d. Meter stamps printed on mail dispatched and returned to sender as undeliverable as addressed, including mail marked "No such post office" and mail addressed for local delivery and returned after directory service was given or delivery was attempted.

Rounding
3.4

Any fraction of a cent in the total to be refunded is rounded in favor of the USPS (e.g., \$4.187 is rounded to \$4.18).

**4.0 REFUND REQUEST FOR EXCESS POSTAGE (VALUE ADDED
REFUND)—AT TIME OF MAILING**

Value Added Refund
4.1

Subject to the standards in this part, a *presenter* (i.e., the mailer or other party, such as a presort service bureau), who prepares First-Class Mail or Standard Mail (A) for customers and presents it to the USPS in their behalf, may request a *value added refund* (VAR) for postage affixed to mail in excess of the rate applicable to that mail when presented to the USPS. A presenter must be authorized by the USPS to seek the refund. Any refund is issued to the presenter, and the disposition of any such refund is a private matter between the presenter and the presenter's customer.

Application
4.2

The presenter must make a written application to the postmaster serving each location where VAR mailings are to be deposited, verified, and paid. The application must describe the presenter's mail preparation system and the documentation that it can produce. The application must also show that the presenter can produce the postage statements and the refund documentation required by 4.17. The postmaster forwards the application and supporting documentation for approval to the RCSC manager serving the post office where VAR mailings are to be entered.

Mailer System
4.3

Eligibility to submit requests for VARs requires that the presenter process and document mail through a fully automated mail sorting system. The system must include barcoding equipment (e.g., multiline optical character readers) to read the address information and determine the correct ZIP+4 code; an ink jet or laser printer to apply the correct POSTNET barcode in the required location; and a barcode reader (BCR) to read the POSTNET barcode, verify it for accuracy, and sort the mailpiece to the correct location.

Presenter Agreement
4.4

In applying for authorization to make VARs, the presenter agrees:

- a. That verification samples taken by the USPS represent the entire mailing and are to be used to adjust the total refund amount requested.

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Refunds and Exchanges

- b. To provide the USPS with advance written notice of plans for system changes that affect the calculation of postage, amount of refund, generation of required documentation, or mail presorting.
 - c. To cooperate with the USPS during mail verification or system audits, and to process sampled mail through barcode readers (BCRs) when requested.
- Authorization**
4.5 If the application is approved, an authorization to make refund requests is valid for a period not to exceed 2 years, subject to renewal after USPS review.
- Appeal**
4.6 If the application is denied, the presenter may file a written appeal within 15 days through the RCSC to the Mail Preparation and Standards manager, USPS Headquarters, who issues the final agency decision.
- Suspension**
4.7 The RCSC manager may suspend an authorization after determining that the presenter does not meet the standards in 4.0.
- Cancellation**
4.8 The RCSC manager may cancel an authorization for any of these reasons:
 - a. The presenter consistently provides incorrect information and is unwilling or unable to correct the problem.
 - b. The presenter continually fails to meet the standards in 4.0.
 - c. No mailings are made under these procedures during any 12 consecutive months.
- Appeal of Cancellation or Suspension**
4.9 A cancellation or suspension takes effect 15 days from the presenter's receipt of the notice unless, during that time, the presenter files a written appeal with the RCSC manager stating why the authorization should not be canceled or suspended. If the manager upholds the action, the appeal is forwarded to the Mail Preparation and Standards manager, USPS Headquarters, who issues the final agency decision. A final cancellation takes effect 15 days after receipt by the presenter.
- Form 8096 Required**
4.10 The presenter must provide the USPS with an original Form 8096 completed and signed by each of the presenter's customers who meter any pieces in the mailing for which a VAR is requested, and a list of those customers. (If metered postage is affixed to the pieces by an intermediate agent (not the presenter of the mailing) for the owner of the pieces, a signed Form 8096 must be on file from the agent whose meters were used to affix the postage.) Refund requests are denied if all required Forms 8096 are not provided.
- Form 8096 Not Required**
4.11 Form 8096 is not required for a customer whose mail is metered by the presenter with the presenter's own meters. In such cases, the presenter must provide the post office where it submits refund requests with a list, in ascending numeric order, of its own meter numbers and those of any intermediate agent used for affixing postage to the presenter's clients' pieces included in the mailing.
- First-Class Mail**
4.12 If a VAR request is submitted when a First-Class mailing is presented to the USPS, each piece in the mailing must be:
 - a. Letter-size and weigh less than the applicable maximum weight for automation mail prescribed in C810.
 - b. Part of a barcoded mailing prepared by the presenter.
 - c. Metered by the presenter or the presenter's customer at the Presorted First-Class or automation rates applicable to a piece of that weight, including the full postage for the second and third ounces, if applicable.

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Refunds and Exchanges

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Standard Mail (A)
 4.13

If a VAR request is submitted when a Standard Mail (A) mailing is presented to the USPS, each piece must be letter-size, weigh less than the applicable maximum weight for automation mail prescribed in C810, be part of an automation rate mailing, and be metered by the presenter or the presenter's customer at a nonautomation rate or at any automation minimum per piece rate. *Pieces for each entry must be prepared as a separate mailing if the destination entry rates are claimed.*

Criteria for Mailing
 4.14

[01-03-00] A mailing for which a VAR request is submitted must meet these criteria:

- a. The presenter must process the mail for each customer so that the rate of postage affixed on each piece can be documented by customer, unless otherwise authorized by the RCSC, and rate category.
- b. Documentation must be kept showing internal quality control procedures done for each mailing submitted for which a VAR is claimed.
- c. Mail must be prepared by the standards corresponding to the First-Class Mail or Standard Mail (A) rate claimed.
- d. The presenter must be authorized by the RCSC to submit Standard Mail (A) mailings that contain both Regular and Nonprofit rate pieces under the applicable standards.
- e. Each piece in the mailing for which barcodes are applied by an MLOCR must bear an automation marking that also describes the method of postage payment and the rate of postage affixed for metered and precanceled stamp mail or other postage information for permit imprint mail as described in P760.

Postage Statement
 4.15

The presenter must provide a complete and accurate postage statement with each mailing annotated to show the presort option used to prepare that mailing, and reporting postage data based on the rate category for which each piece qualifies when presented to the USPS.

Applying for Refund
 4.16

To request a VAR, Form 3533 and supporting documentation as described below must be provided with the corresponding mailing at the time of mailing. After the time of mailing, refund applications are not considered. The entry office postmaster pays refunds weekly or on another schedule agreed to with the mailer.

Documentation for Mailing
 4.17

[01-03-00] Mailers are required to submit or generate the following reports:

- a. Each mailing must be accompanied by all of the following documentation to enable the VAR request and the specific and efficient USPS verification of that request:
 - (1) Form 3533, *Application and Voucher for Refund of Postage and Fees*, if a net VAR refund is due.
 - (2) The applicable postage statement.
 - (3) Form(s) 3553, *Coding Accuracy Support System (CASS) Summary Report*.
 - (4) The USPS qualification report in standardized format detailing by ZIP Code the number of pieces qualifying for each rate by presort level. If plant-verified drop shipment (PVDS) is used for Standard Mail (A), a separate USPS qualification report must be generated for each entry destination.

Exhibit G Continued



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Refunds and Exchanges

- (5) The USPS Summary ZIP Destination report in one of two standardized formats that lists by tray destination and rate category: each mail category, postage payment type, weight and rate affixed (report all postage affixed First-Class Mail pieces as weighing one ounce); number of pieces; dollar amount of postage affixed to those pieces; cumulative postage affixed; total postage; net postage due; cumulative postage due; and a running total of the number of pieces. If plant-verified drop shipment (PVDS) is used for Standard Mail (A), a separate USPS Summary ZIP Destination report must be generated for each entry destination. This report is not required if there is only one metered rate in the mailing. The RCSC may authorize submission of only portions of this report.
 - (6) The USPS Postage Summary in a standardized format. This report shows, by type of payment method, the total postage claimed for all pieces in the mailing by rate level and the total postage affixed by rate level. It also shows a grand total summary of postage affixed, postage claimed, and total postage due. If plant-verified drop shipment (PVDS) is used for Standard Mail (A), a separate USPS Postage Summary report must be generated for each entry destination.
 - (7) Other documentation that may be required by other standards for the rate claimed.
- b. The USPS Customer Mail Report must be generated for each mailing, but is required to be submitted to the USPS only when requested by USPS personnel for the resolution of errors (shortpaid and potential MLOCR profiling) detected in a specific mailing. The Customer Mail Report must list each customer by name and provide the following information about their mail: rate affixed, mail category including postage payment type, weight, total postage, postage affixed, number of pieces, cumulative number of pieces, number of pieces rejected, and total pieces fed.

5.0 EXPRESS MAIL POSTAGE REFUND

Basic Information

5.1

A claim for a postage refund of Express Mail may be made only by the mailer and within 90 days after the date of mailing. The mailer may file for a postage refund for any item not available for claim or for which delivery was not attempted within the service objective for the specific Express Mail service, as described in D500, as guaranteed at the time of mailing. No claim is approved if the guaranteed service was not provided because the mail was properly detained for law enforcement purposes (see *Administrative Support Manual* 274).

Purchase Record

5.2

The mailer (the sender or holder of an Express Mail Corporate Account) must complete and submit Part I of Form 3533 in duplicate to any post office. This form must be accompanied by the mailer's receipt (the original customer copy of Label 11). The service level marked on Label 11 is the level guaranteed. If an article is not delivered, delivery is not attempted, or the article has not arrived at the pickup point by the day and time shown on Label 11, the USPS issues a refund under the applicable standards.

Immediate Refund

5.3

If the mailer used adhesive or meter stamps, the USPS refunds the postage in cash or by a no-fee money order immediately, if the addressee copy of Label 11 is available or the USPS can otherwise determine that the time and date of delivery, delivery attempt, or availability at the pickup point did not meet the commitment marked on Label 11.

Exhibit G Continued**Refunds and Exchanges**

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**Deferred Refund**

5.4

If the mailer used adhesive or meter stamps and it is not possible to verify the delivery failure immediately, the USPS researches the application and, if appropriate, issues a refund to the mailer within 5 business days. If the mailer paid postage by Express Mail Corporate Account or federal government agency account, the USPS refunds by a credit to that account within 5 business days.

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Exhibit H**Postage Payment Methods: Refunds and Exchanges**

604.9.1.6

9.1.3 Condition and Quantity

The stamps presented for exchange must be in substantially whole condition, with the denomination evident. If coils of stamps are partially stuck together and cannot be counted, the postmaster may accept the customer's estimate of the number of stamps left in the coil and give equal quantities in exchange.

9.1.4 Appeal

Any customer denied an exchange for damaged stamps may appeal the postmaster's decision to the Consumer Advocate, USPS Headquarters (see [608.8.0](#) for address).

9.1.5 Purchase Error

If a customer bought the wrong denomination stamps (or the wrong kind, size, or denomination envelope), they may be exchanged at full postage value. Only full panes of stamps, coils of stamps in the original sealed wrappers, full boxes of stamped envelopes, or original sealed packs of stamped cards may be exchanged. A customer exchanging \$250 or more of such stock must show proof of identity (e.g., a driver's license) and must present the stock for exchange to the postal unit from which his or her mail is delivered.

9.1.6 Exchange of Spoiled and Unused Postal Matter

Unusable and spoiled stamped envelopes or stamped cards, if uncanceled, and unused precanceled stamps and stamped cards, are exchanged for other postage-stamped paper. Only the buyer may exchange stamped envelopes or aerogrammes (airletter sheets) with a printed return address and stamped cards with any printed matter of the buyer. If there is no purchaser's printing, any responsible person may exchange them. These conditions apply:

- a. Stamped envelopes (mutilated no more than is necessary to remove contents): postage value plus value of postage added because of a price increase or for additional service.
- b. Unmutilated aerogrammes (airletter sheets): postage value minus \$0.01 for each aerogramme redeemed.
- c. Unmutilated single and double stamped cards: 85% of postage value, plus full value of postage added because of a price increase or for additional service. Either half of a double stamped card may be redeemed, if the double card is printed and cut for use as single cards. Unused double stamped cards printed for reply should not be separated but, if they are separated in error and the buyer presents both halves, the cards may be redeemed. Reply halves of double stamped cards returned to sender outside of the mail are not redeemable by the original buyer, even though the reply half received no postal service.
- d. Sheet stamped cards spoiled when cut to size: 85% of postage value plus full value of postage added because of a price increase or for additional service, if all cut sections are submitted.
- e. Stamps affixed to commercial envelopes and postcards: 90% of postage value. Envelopes and postcards must be in substantially whole condition and in lots of at least 50 of the same denomination and value.

Exhibit H Continued



Postage Payment Methods: Refunds and Exchanges

604.9.1.7

- f. Unused precanceled stamps in full coils and in full sheets redeemed from precanceled permit holders: 90% of postage value.

9.1.7 Stamps Converted to Other Postage Forms

A customer may submit postage stamps for conversion to an advance deposit for permit imprint mailings, subject to these conditions:

- a. Only full panes of postage stamps (or coils of stamps in the original sealed wrappers) are accepted for conversion. Accepted stamps include commemorative stamps issued no more than 1 year before the requested conversion date or regular stamp issues not officially withdrawn from sale.
- b. A request for stamp conversions must be made in writing to the district manager of Customer Service and Sales in the district where the customer's Post Office is located. The customer's request must include:
 - c. Name, denomination, quantity, and value of stamps for which conversion is requested.
 - d. Name of the Post Office where the stamps were bought.
 - e. Evidence of purchase of the stamps.
- f. The amount of postage applied to a permit imprint advance deposit account through conversion is the full face value of the stamps.
- g. The district manager may ask the customer to submit additional records to support the information in the request. After reviewing the documentation, the district manager approves or denies the request. The customer is notified when the conversion is approved. The postmaster is advised of the procedures for accepting the stamps and making the required accounting entries.
- h. No part of any amount applied to a permit imprint advance deposit account from the conversion of postage stamps is refundable in cash or by any other means.

9.1.8 Not Exchangeable

The following postage items are not exchangeable:

- a. Adhesive stamps, unless mistakes were made in buying, stamps were defective, stamps were affixed to commercial envelopes and postcards, or under [9.1.7](#).
- b. Stamps cut from stamped cards, stamped envelopes, or aerogrammes (airletter sheets).
- c. Parts and pieces of stamped cards.
- d. Stamped cards, stamped envelopes, and aerogrammes received for reply.
- e. Mutilated and defaced stamps.

9.2 Postage and Fee Refunds

9.2.1 Refund Standards for Postage and Fees

A refund for postage and fees may be made:

